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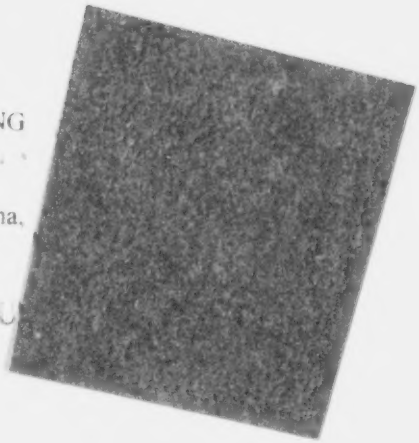
Resumed eighteenth session

SUMMARY RECORD OF THE 5th MEETING

Held at the Vienna International Centre, Vienna,
on Tuesday, 18 November 1997, at 3 p.m.

President: Mr. POSTA (Hungary)



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The meeting was called to order at 3.20 p.m.

STATEMENT BY THE PRESIDENT OF THE UNIDO STAFF COUNCIL

1. **Mr. SPINA** (President of the UNIDO Staff Council) said that the Staff Council was grateful for having been invited to participate in the deliberations of the working group dealing with the implications of budget reductions, which was a positive step in building the team Member States had indicated to be the way of the future. The Staff Council had expressed its concerns on many occasions, and felt that the experience gained from the previous reductions in staff should have served to better prepare for the new reduction ahead. In the downsizing exercise, management must be able to match the skills of staff with the skills required by the Organization; however, as far as the Staff Council knew, neither had existing skills been assessed nor had the Organization's requirements been defined. Decisions affecting people should be based on facts and not on guesswork.

2. The Staff Council had never advocated a "last-in, first-out" approach but that justification of all types of those recent recruitments should be reviewed as had been discussed during the meetings of the working group. Some provision for technical training for serving staff members should be part of management's plans, yet the Staff Council had only seen a slight indication of that; a small amount of money invested in training would save much more than the costs related to external recruitment.

3. The voluntary phase of the reduction exercise should be properly funded, to avoid the need for a forced termination approach with all its hidden costs and the consequent creation of havoc for the Organization. The Staff Council had met with the newly nominated Director-General, who had expressed a desire for the Staff Council to be part of his team. Achievement of the quick results he wanted would not be helped by forced terminations; Member States should therefore make the necessary money available to avoid forced terminations in the interests of all.

4. The Council's next proposed step towards meeting the 20 per cent budget cut would be a phasing-out approach. Should the voluntary phase not draw enough volunteers, staff close to retirement age whose skills were still needed could be kept on rather than being paid off to sit at home. Another possibility would be to allow staff to work part-time, less than 100 per cent, more than 50 per cent, an approach used successfully by IAEA since 1995. That proposal had been well received in the working group, and should be reflected in its report.

5. The staff had served the Organization well and wanted it to fulfil its mandate. The Staff Council wished to avoid unnecessary litigation, and instead to negotiate favourable conditions for termination.

6. Could the indication that there should be a moratorium on further downsizing, at least for the next four years, be put in writing?

REPORT OF THE PROGRAMME AND BUDGET COMMITTEE (*continued*):

(i) **WITHDRAWAL OF THE UNITED STATES OF AMERICA** (*continued*) (IDB.18/2, IDB.18/11, IDB.18/18)

7. **Mr. YUSUF** (Legal Adviser), introducing the report by the Director-General on options for the collection of unpaid assessed contributions from the United States Government (IDB.18/18), said that the Board, in its decision IDB.17/Dec.3 (see document GC.7/5, annex I), had asked the Director-General to explore all possibilities for the collection of unpaid assessed contributions from the United States Government. The document before the Board contained information on some legal and political options available to UNIDO and specified the advantages and the disadvantages of such options. As the United States of America had ceased to be a Member State, its relations with UNIDO were no longer governed by the UNIDO Constitution. The options in question applied to relations with a non-member State that had not met all its financial obligations.

8. The central option was the establishment of a contact group of Member States to engage in negotiations and discussions with the United States Government including, if so mandated, discussions concerning other possibilities such as a debt settlement option or recourse to an arbitral tribunal.

9. The main legal option would be a request to the International Court of Justice for an advisory opinion. Though such opinions were not legally enforceable they carried much legal, political and moral weight. Another legal option, though full of difficulties and to be used only as a last resort, might be to take legal action in an American court of law.

10. It was important for Member States to take some action because failure to have recourse to available remedies might be interpreted as acquiescence or set a precedent and result in eventual loss of the arrears owed

by the United States Government. That Government had reiterated its promise to fulfil its obligations towards UNIDO, but legislation now before the United States Congress contained provisions that would, if passed, prohibit the payment of arrears owed to UNIDO. It was therefore up to Member States to take appropriate action to ensure recovery of the sum owed.

11. **Mr. BENMOUSSA** (Morocco) said that the whole issue of unpaid contributions presented the Board and UNIDO as a whole with a very difficult problem. In the first place, UNIDO must act on the assumption that the United States of America would eventually return to the Organization, not perhaps in the short term—it had still not rejoined UNESCO despite promises—but in the medium or long term. Secondly, organizations of the United Nations system dealt with Governments and not with legislative bodies even though, in the case of the United States, Congress was very powerful. It was also essential for UNIDO to act consistently in full respect for international legality: any measure that diverged from international legality would be at variance with the consensus in UNIDO. The difficulty was that, while the Constitution of UNIDO deprived a country not paying its contributions of the right to vote, there was no legal provision to cover the case of a country leaving the Organization. Clearly, the duty to pay remained but there was no provision setting a time limit.

12. Obviously, something had to be done. UNIDO must not give the impression, through its silence, that it acquiesced in non-payment. In his delegation's view, all the options presented in document IDB.18/18 with the exception of paragraph 26 (d) raised problems. Trying to enlist the support of non-governmental organizations and industry groups in order to rouse public opinion would be clumsy, ineffective and even counter-productive. As for the introduction of sanctions against American companies tendering to UNIDO, such a step might be taken but only as a last resort after the exhaustion of all other procedures. Moreover, it should be applied to all States in arrears with their contributions and not exclusively to the United States of America. It was a possibility that could be discussed by the working group. Another suggestion had been to submit the dispute to arbitration, but that would require the agreement of the United States Government. As that Government had already, in an official letter, recognized the debt and its amount there was no purpose in arbitration. Recourse to the American courts would also be unwise: they might declare themselves not competent, and even if they did not the outcome would be highly uncertain and the cost enormous. The suggestion regarding bonds to be issued by the United States Government to compensate for unpaid contributions would probably be against United States law and therefore impossible to implement.

13. The suggested contact group would have no chance of achieving anything. For a group of ambassadors from Vienna to travel to Washington would, in his view, serve no purpose. Countries represented in the United States could try to exert constant pressure in Washington, but that was not very realistic. The only practical answer was to ask the new Director-General to go to Washington to exert pressure, without expecting immediate results. He should be given a clear and precise mandate from the General Conference in the form of a decision or recommendation, including a time-frame, with a view to achieving a friendly settlement. A resolution and time limit were important owing to the legal void. An attempt might also be made to mobilize the United Nations General Assembly and to get the issue of UNIDO payments included in discussions between the Secretary-General and the United States Administration on the latter's debt to the Organization. If all failed the International Court of Justice should be approached, not for a legal opinion as suggested in the document but for a ruling: a definite time limit needed to be set. He drew attention to Article 36 of the Statute of the International Court of Justice, which showed that the point at issue clearly lay within its competence. As for costs, UNIDO could ask the Court to rule that they be paid by the party at fault.

14. **Mr. WØHLK** (Denmark) agreed with the representative of Morocco that there was very little that could be done. It was a problem not only for UNIDO but for the whole of the United Nations system. Denmark had urged the United States Government to pay its contributions to the United Nations in many bilateral and multilateral forums. Things had looked promising, with the United States Government ready to pay a substantial part of its debts, but the proposal had very recently been blocked in Congress. There was very little that could be done for the moment but both UNIDO and individual Member States must continue to exert pressure on both the Government and Congress. For that purpose it might well be useful to establish a contact group to hold discussions with both the United States Government and Congress, but at the same time Member States should be urged to make individual approaches as some countries had more influence in the United States than others.

15. The suggestion made in paragraph 27 of document IDB.18/18 for informing the United States public might also be followed up. Denmark would continue to exert pressure bilaterally.

16. **Mr. LEE** (Republic of Korea) said that his delegation supported the views expressed by the representatives of Morocco and Denmark. The problem of unpaid assessed contributions by the United States Government had become very serious and every effort

should be made to collect the $61 million of outstanding debt.

17. His country favoured a gradual, two-track approach. On the political level, the efforts made by the Secretariat and the Director-General had not met with success, so the time had come for UNIDO Member States to establish a contact group to initiate political dialogue with the United States Government. The group should include major donor countries as well as countries from the Group of 77 and its mandate should be clearly defined beforehand. If, after about six months for example, the contact group failed to achieve a positive result, UNIDO Member States should turn to the legal options, including request for an advisory opinion by the International Court of Justice.

18. In regard to one of the political options, namely the debt settlement option described in paragraphs 8-11 of document IDB.18/18, he asked the Secretariat for clarification concerning the proposed bonds to be issued by the United States Government. Who would buy such bonds?

19. **Mr. KHALIL** (Tunisia) said that document IDB.18/18 contained many interesting suggestions showing that the Secretariat had made creative efforts to find a satisfactory solution to the problem, but he tended to agree with what had been said by the representatives of Morocco and Denmark. In his delegation's view, legal proceedings or the issuing of bonds were not the best solution. After all, the debt of the United States to the United Nations system as a whole amounted to over $1 billion. The best approach was to continue to urge all countries to exert as much pressure as possible in bilateral and multilateral forums.

20. The main problem was the position taken not by the United States Government but by Congress. In his view, the establishment of a contact group would not solve the problem no matter which Member States were involved. It was not for Member States represented in the Board to engage in dialogue with members of the United States Congress. Besides, the risk of failure was enormous. The best solution would be for the General Conference to adopt a resolution by consensus that gave the Director-General a clear mandate. He could then set up a small group to help him. It was important to try to understand the mentality of and the policy being pursued by the United States Congress. Above all, UNIDO's approach should be pragmatic.

21. **Mr. UMER** (Pakistan) said that, while he appreciated the Director-General's efforts to recover the amounts due, unrealistic measures should not be considered, nor should justifications be found for the United States to withhold payment of its assessed contributions, which was an obligation that must be honoured. He requested further clarification from the Director-General about the United States Government's position and reaction to the approaches already made so that an informed decision could be taken on the strategy to be adopted.

22. **Mr. CELSO de OURO PRETO** (Brazil) said that he shared the scepticism of the representative of Tunisia about the usefulness of setting up yet another body in the form of a contact group to engage in discussions with the United States Government. Political pressure should be brought to bear directly by the Director-General, acting on the advice of Member States.

23. **Mr. SANTER** (Observer for Luxembourg), speaking on behalf of the European Union, said that, aware though the European Union was of the importance of the arrears question, it shared the scepticism of previous speakers about the proposals contained in document IDB.18/18. A decision to set up a working or other group at the current session would be premature and the best solution might be to allow time for more thorough scrutiny by Member States of the options contained in the document and consideration of possible coordinated action with their representatives in New York.

24. **Mr. ITO** (Japan) said that the collection of unpaid contributions was a matter of great importance and urgency, but the proposed options needed to be considered very carefully to ascertain which approach would be most effective. Would the proposed contact group, for instance, achieve the desired result and what would its mandate be? The deliberations of the United States Congress on the draft appropriation legislation before it gave scant cause for optimism about the payment of arrears in the near future and left little scope for negotiations with the United States Government. He supported the suggestion made by the Indonesian delegation, at the third meeting, that the relevant working group should examine the options.

25. **Mr. YUSUF** (Legal Adviser), replying to questions and comments, explained that document IDB.18/18 was intended as an information document setting out possible options, rather than presenting formal proposals. Regarding the reaction of the United States authorities to the Director-General's representations, he informed the representative of Pakistan that repeated requests by the United States Department of State to Congress for the payment of part of the United States arrears in contributions to UNIDO had been rejected, although the Department of State continued to recognize its obligations to the Organization and had promised that it would make further proposals. The legislation currently

pending before Congress concerning appropriations for arrears in contributions to the United Nations made no provision for payments to UNIDO and indeed included a clause prohibiting the United States Government from using those funds, if approved, to pay its arrears to the Organization.

26. Regarding the reference of the representative of Morocco to Article 36 of the Statute of the International Court of Justice, he explained that the Court's competence to rule on legal disputes extended only to disputes between States; intergovernmental organizations could only request advisory opinions.

27. Referring to the question by the representative of the Republic of Korea about the debt settlement option, he said that such an option would have to be negotiated with the United States Government. There was nothing in United States law to prevent the Government from issuing bonds, which, in the case in question, would be treasury bonds, to be sold on the open market, the market value depending on the date of maturity of the bonds and on the rate of interest. The option had been proposed in the interest of securitizing the debt because, although the Department of State had acknowledged its debt to UNIDO and expressed its wish to pay the arrears, the amount of the arrears had never been recognized in writing by the United States Government.

28. **Mr. DE MARIA Y CAMPOS** (Director-General) assured the Board that every possible effort had been exerted to bring pressure to bear on the United States authorities, his latest contact having been with the Assistant Secretary of State for International Organization Affairs on 29 August 1997. The question of the outstanding payment of assessed contributions had been among the issues discussed at that meeting. The representative of the United States Government had reiterated that the Administration fully recognized its financial obligations to UNIDO but its request for funding had been rejected by Congress, which had explicitly refused payments to several international organizations, including UNIDO, which was not seen as a priority since the United States was no longer a Member State. The Assistant Secretary of State had seen no likelihood of payment in the forthcoming fiscal year. Other approaches, through the United Nations, had so far yielded no results. Meetings had also been held with the United States Association for the United Nations in New York, which was very outspoken on the matter of the country's obligation to pay its contributions to the United Nations. The United States Ambassador to the United Nations had also spoken out in favour of payment of outstanding contributions. The picture was therefore clear, and he awaited the Board's decision on how to proceed further.

29. **The PRESIDENT**, summing up, said that delegations were clearly concerned about the seriousness of the problem and in favour of continuing to bring pressure to bear on the United States Government, through both bilateral and multilateral channels, to ensure that it fulfilled its international obligations. The approach taken should, however, be realistic. There were varying opinions about the viability of the proposed options, notably the establishment of a contact group, with some delegations calling for more time to consider its feasibility and mandate. A preference had been expressed for political pressure, the legal options having received no explicit support. He consequently suggested that the issue be further considered in informal consultations.

30. **Mr. SANDIGA CABRERA** (Peru) sought confirmation of his understanding that the draft legislation pending before the United States Congress explicitly excluded UNIDO from future payment. Some clarification was needed of the reasoning behind that decision and of the intentions of the Congress regarding UNIDO.

31. **The PRESIDENT** confirmed that understanding, since the legislation had not yet been finally approved, however, it was premature to debate on the reasoning behind that position.

32. **Mr. HALIM MOHAMED** (Sudan) said that the informal consultations group should be given clear directives. It should not reopen the discussion on options that had received no support, such as the proposed legal options. Since the draft legislation before the United States Congress was still in the making, the focus should be on how best to use the time until it was passed, which left only two options: either to form a contact group, determine its mandate and ask it to act immediately, or to authorize the Director-General to initiate further contacts without delay.

33. **The PRESIDENT** agreed that the outcome of the informal consultations should be a proposal, acceptable to all, for a formal decision on the action to be taken. The informal consultations group should determine whether Member States were prepared to establish a group of some kind, what mandate it should have and whether it should seek direct contact with the United States authorities or act as an advisory group for the Director-General.

34. **Mr. BENMOUSSA** (Morocco) thought that there was no need to establish a new group, since one already existed in the form of the intersessional open-ended discussion group to study applicable measures to expedite timely payment of assessed contributions, which could be asked to advise the Director-General. It emerged from the discussion that, although there was general agreement that

the United States Government owed its arrears and must pay, the Board was not in a position to determine what action should be taken. The appropriate forum for a formal decision was the General Conference. Pressure should be maintained on the United States Government, through all appropriate means, to induce it to honour its obligations, bearing in mind the caution that should be exercised in view of the very special position of the United States and the large amounts owed.

FUTURE ROLE AND FUNCTIONS OF UNIDO (IDB.18/17)

35. **The PRESIDENT**, speaking as Chairman of the intersessional working group on the future role and functions of UNIDO, drew attention to its report (IDB.18/17) and reminded the Board that the revised proposals on the programme and budgets for 1998-1999 (IDB.18/15/6) had been adopted by the Programme and Budget Committee at its resumed thirteenth session. He asked whether the Board wished to consider that the inter-sessional working group had completed its work. Some delegations had referred in their general statements to the performance indicators system as a useful topic for discussion by the working group.

36. **Mr. BARBU** (Romania), endorsing the statement made by the representative of Luxembourg on behalf of the European Union, said that UNIDO could better perform the important roles it had been entrusted with by Member States in the Business Plan if it concentrated on a reduced number of domains, but that budget cuts beyond 20 per cent should be avoided to the extent possible.

37. In a context of change in Romania, his country remained committed to international cooperation. Its experience with UNIDO during the 20 years of existence of the Joint UNIDO-Romania Centre had been highly positive. UNIDO had shown its capacity to understand the country's priorities and tailor projects accordingly. Examples were projects funded by the Multilateral Fund for the Implementation of the Montreal Protocol, the project for the promotion of small and medium enterprises, which had led to the establishment of a national business counselling and training network, and technical assistance projects in such fields as metallurgy and the chemical industry. At the current stage of the transition process, Romania would especially welcome UNIDO projects in investment promotion, industrial information and networking and environmental protection. UNIDO should have the necessary financial and human resources to attain its objectives in the area of sustainable industrial development and Romania therefore supported the idea of funds mobilization from the private sector.

38. **Mr. FABIJANSKI** (Poland) said that, at the present important juncture, his delegation wished to stress its support for the Organization's objectives and for the thrust of the proposed reforms, as well as its confidence in the Director-General's ability to bring about the much needed radical changes.

39. The reform of an international organization of a universal character was necessarily dependent on international conditions. Two factors in particular had complicated the task facing the Director-General, the first being the doubts prevailing in some quarters about the Organization's very *raison d'être*, and the general uncertainty regarding its future, and the second its financial predicament due to the non-payment of assessed contributions by major contributors and the poor paying discipline of many other Member States.

40. Regarding the first factor, he reiterated his country's strong support for UNIDO based on the philosophy that, without forgoing constructive criticism, it was essential to seek effective joint solutions to problems rather than renouncing responsibility for a common cause. Because of the cardinal importance of industrialization and international industrial cooperation for the development of developing countries and countries in transition, UNIDO had a vital role to play within the United Nations system. Multilateral efforts channelled through the Organization had helped countries in both those categories to adjust to the new global situation. Poland greatly appreciated the support it had received itself from UNIDO, but realized that its rapid progress in terms of industrialization would set limits on such assistance in the future. His country also had a profound interest in increasing international industrial cooperation with developing countries through UNIDO and particularly supported its activities with regard to industrial modernization, supporting sustainable industrial development, assisting the restructuring of enterprises and promoting small and medium-sized enterprises in areas in which cooperation between UNIDO and Poland had been highly successful. While continuing to support UNIDO's industrial promotion activities in general, his country considered that the Organization should continually adjust its priorities and programmes to the changing needs and expectations of Member States, both globally and regionally, and be able to respond more flexibly to the evolving international environment characterized by globalization.

41. With regard to the current financial situation, he appreciated the difficulty of planning UNIDO's activities for the next biennium, especially in view of the problem of separation costs, but stressed that the positive attitude

of Member States towards the Organization should be reflected not just in verbal support and interest in receiving assistance but also in the full and timely payment of contributions. Poland fulfilled its obligations fully and on time and was not prepared to make up the debts of other Member States. It fully supported all initiatives aimed at strengthening paying discipline among Member States and solving the crucial question of arrears.

42. Concerning the withdrawal of the United States from the Organization, his delegation generally supported the approaches discussed in document IDB.18/18 and proposed that negotiations be held with the United States Government and Congress; Member States could then decide how to proceed further. The establishment of a contact group would be a valuable first step in that direction and its negotiations might be supported by other, parallel approaches, including bilateral contacts, directed towards influencing the United States Government.

43. Finally, he noted with satisfaction a number of encouraging trends resulting from the reform process, including the greater thematic concentration of programmes, the progress achieved in programmes dealing with the environmental aspects of growth, the increased role of UNIDO's services to small and medium-sized enterprises, the greater focus on Africa and the LDCs in general, the enhanced role of the private sector as a partner in cooperation, the introduction of cost-saving measures and procedures in various spheres and the more selective orientation of investment promotion activities. He trusted that those changes, still in a preliminary stage at present, would be followed up in the next biennium by a leaner and more efficient UNIDO enjoying the support of Poland and most of the Member States represented at the current session of the Board, who would all do their best to lead the Organization into a successful and brighter future.

44. **Mr. DE LEZICA** (Argentina) said that the process of reform would necessarily oblige UNIDO to face new situations, not only because of the additional mandate assigned to it by the Secretary-General of the United Nations, but also because the wishes of Member States, as expressed in the Business Plan, were bringing about the re-creation of the Organization and a reassessment of its future.

45. In that connection, Member States had a key role to play in formulating criteria for restructuring the Organization in order to guarantee its ability to fulfil its mandate properly as it entered the twenty-first century.

46. For those reasons, his delegation supported the maintenance of the intersessional working group on the future role and functions of UNIDO on the basis that the group's work would make a significant contribution towards establishing the new structure planned for the Organization and towards formulating the performance indicators, viewed as a major new component of its reform.

47. **Mr. BOURITA** (Morocco) stressed the important role played by the intersessional working group in UNIDO's reform process and its success in preparing a Business Plan, which had been the result of consensus in the group and provided a suitable framework for UNIDO's future activities.

48. The same working group was now also the best forum for initiating discussions on the Organization's budget, while at the same time providing a flexible and effective framework for close cooperation between Member States and the Secretariat with regard to the various aspects of the reform process. One such aspect, the qualitative and quantitative performance indicators, would greatly facilitate communication between the Secretariat, Member States and the public at large, while also providing a means of monitoring the Organization's activities and assessing their results. The second major subject for discussion by the group might be the External Auditor's report, which contained information and comments closely linked to the reform exercise and the question of improved internal management. The group might discuss the report, possibly in the presence of the Auditor, and make recommendations to the Secretariat on how best to introduce improvements in the daily management of the Organization.

49. **Mr. BREITER** (Switzerland) reiterated his delegation's conviction that a system of output-oriented performance indicators should be further developed. While fully appreciating that the new leadership needed time to adapt to the new situation and become acquainted with the detailed problems involved in running the Organization, he felt that the current momentum should be maintained and that the preparatory work done so far should be put to good use without delay. That could be accomplished within the framework of the intersessional working group, which had worked very efficiently in the past.

50. **Mrs. OK** (Turkey) expressed her delegation's appreciation for the efforts undertaken to establish a set of performance indicators for monitoring the reform of the Organization, including its performance, and for assessing the implications of the reform process for the future. Her country looked forward to seeing a UNIDO with a completely new management and outlook. It expected the new Director-General to pursue a "clean hands" policy and, in line with the corresponding new approach of the United Nations Secretary-General, expected UNIDO's

External Auditors to concentrate their efforts on cases of mismanagement and financial irregularity, reacting to them promptly so that any such cases could be exposed and condemned. Finally, it expected transparency, goodwill and close dialogue with other Member States.

51. **Mr. DE MARIA Y CAMPOS** (Director-General) informed the Board that two important assignments had now been completed and a third, which had been pending for a long time, was now under way. The first of the completed assignments was a manual of procurement practices, which was a review requested by the External Auditors for the purpose of achieving greater efficiency and more effective accountability. The second was an important manual on investment promotion which for the first time established clearly defined procedures regulating the relationship between investment promotion offices and Headquarters. In that regard, it was also hoped to promote adequate networking with such offices in developing countries.

52. The third project pertained to the formulation of new procedures for field representation and for cooperation between UNIDO's field offices and its investment promotion offices. It was planned to launch pilot projects in countries such as China in which the Organization had both kinds of office, thus yielding synergies for the benefit of the particular countries concerned as well as other Member States.

53. The thoroughgoing work involved in such publications and projects was a vital part of the highly complex process of reform and their success was due to the devotion of colleagues, to whom he expressed his sincere gratitude.

54. **The PRESIDENT**, summing up the discussion, noted the recurrent theme of support for maintaining the intersessional working group as a valuable tool for ensuring permanent working contact between Member States and the Secretariat. It was also seen as a useful forum for discussing issues related to reform, identifying areas of agreement and facilitating the formulation of proposals. Several delegations had felt that possible points for discussion by such a group might be the Organization's new structure, the formulation of performance indicators and the improvement, on the basis of the External Auditor's report, of internal management processes and other related measures. He proposed that the current item also be referred to the scheduled informal consultations with a view to the formulation of brief decisions providing a mandate for continuation of the work of the inter-sessional working group.

55. *It was so agreed.*

RECOMMENDATION OF A CANDIDATE FOR THE POST OF DIRECTOR-GENERAL (*continued*) (IDB.18/6 and Add.1, IDB.18/7, IDB.18/L.4)

56. **The PRESIDENT** recalled that the decision on the terms and conditions of appointment of the Director-General had been deferred to the present session at the request of one member of the Board, following adoption of the recommendation of a candidate for the post of Director-General at the first part of the eighteenth session. The Board now had before it document IDB.18/L.4 — a draft decision on the current item containing the text discussed during the first part of the eighteenth session (IDB.18/8, annex). If there were no objections, he would take it that the Board wished to adopt the draft decision contained in document IDB.18/L.4.

57. *It was so decided.*

PREPARATIONS FOR THE SEVENTH SESSION OF THE GENERAL CONFERENCE (IDB.18/19)

58. **Mr. PAPULI** (Acting Secretary, Policy-making Organs) introduced document IDB.18/19, drawing attention to the importance of orderly preparations for the General Conference. For previous sessions of the Conference an informal contact group had been established early in the year for the purpose of their preparation. The special circumstances prevailing during the current year had prevented the establishment of such a group. However, in view of the organizational aspects to be considered in preparation for the Conference, due to take place in less than two weeks' time, the President of the Board intended to organize an informal meeting on Friday, 21 November, for the purpose, in particular, of examining the schedule proposed for the Conference, the grouping of agenda items and the establishment of the Main Committee. Any recommendations emanating from that meeting could be forwarded to the Conference and provide a basis for its work.

59. **The PRESIDENT** stressed the vital importance, in view of the short time remaining before the General Conference, of efficient organization, close cooperation between the Secretariat and the chairmen of regional groups and the active participation of Member States in the informal consultations planned for the discussion of organizational and procedural matters and the formulation of recommendations to be forwarded to the Conference.

60. **Mr. AHMADI** (Islamic Republic of Iran) suggested that, as agreed in discussions within the Group of 77, a new item on field representation should be included on the agenda of the General Conference.

61. **Mr. BOURITA** (Morocco), supporting the previous speaker's suggestion, emphasized the importance of field representation in the process of reform. As the supreme body of UNIDO, the General Conference should certainly give consideration to that new orientation of the Organization's work.

62. The important issue of the withdrawal of the United States of America from UNIDO should also be included on the agenda of the General Conference, since the Board's discussions during its current meeting had indicated the possibility that the Conference might be able to formulate a resolution on the matter.

63. **The PRESIDENT** proposed that the Board refer the matter to informal consultations to be held the following day for the purpose of considering adoption of the draft decision contained in paragraph 5 of document IDB.18/19.

64. *It was so agreed.*

The meeting rose at 5.35 p.m.